

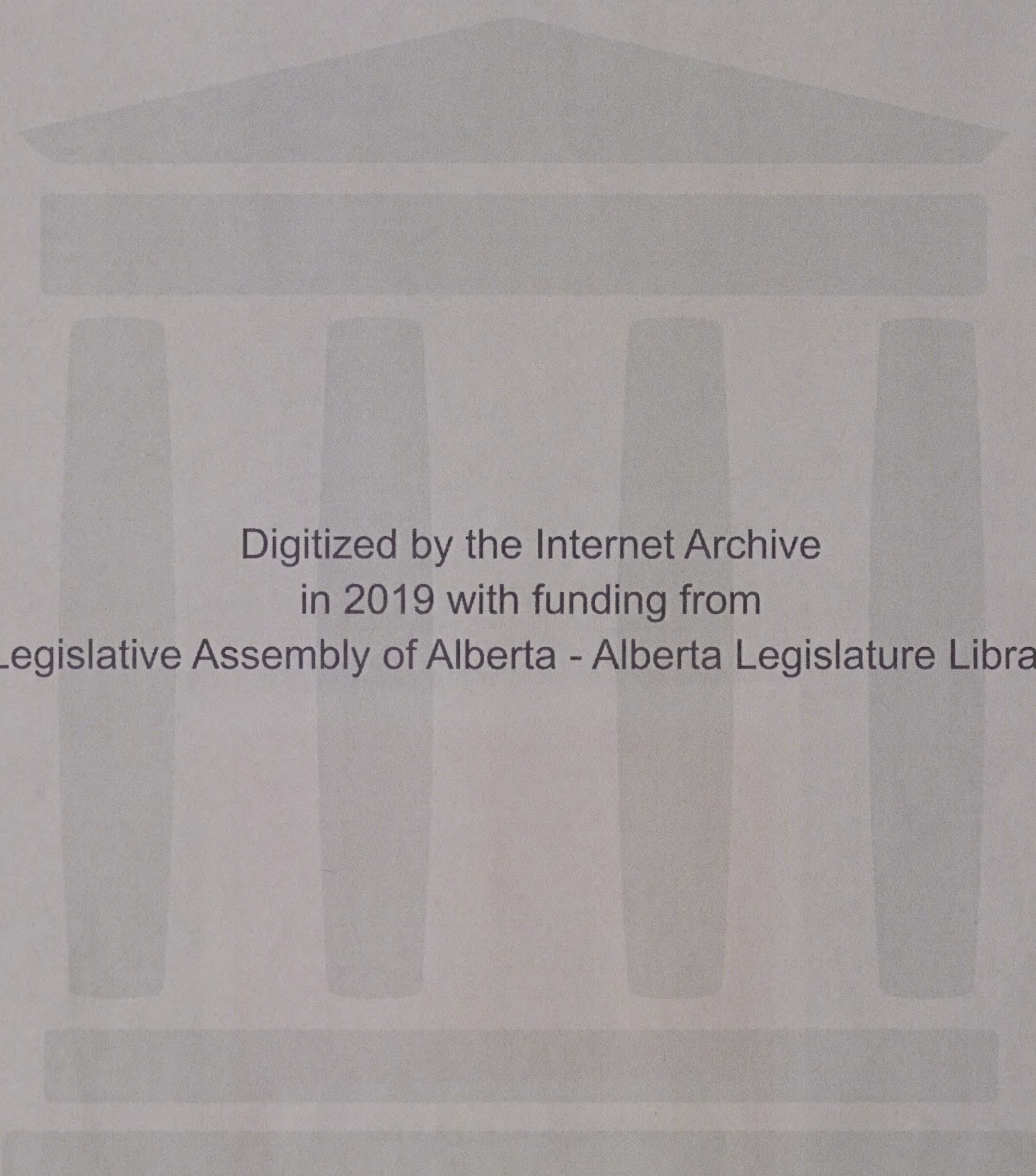
CA2 ALZ 1 1909P01
Report of the Commission on the Pork Ind
ustry in the Province Of Alberta 1
3 3398 00145 7919

ALBERTA. COMMISSION ON THE PORK INDUSTRY
IN THE PROVINCE OF ALBERTA

REPORT

LIBRARY
VAULT 10

CA2ALZ 1
HD
09P01
AL14

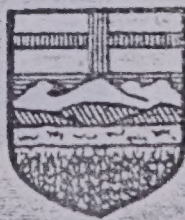


Digitized by the Internet Archive
in 2019 with funding from
Legislative Assembly of Alberta - Alberta Legislature Library

LIBRARY
VAULT 19

REPORT
OF THE
COMMISSION
ON THE
PORK INDUSTRY
IN THE
PROVINCE OF ALBERTA
1908

Published under the direction of
THE HONOURABLE W. T. FINLAY, MINISTER OF AGRICULTURE



EDMONTON
PRINTED BY J. W. JEFFERY, GOVERNMENT PRINTER
1913

Pam

338.1764

A333r

1908

REPORT
OF THE
COMMISSION
ON THE
PORK INDUSTRY
IN THE
PROVINCE OF ALBERTA
1908

Published under the direction of
THE HONOURABLE W. T. FINLAY, MINISTER OF AGRICULTURE



EDMONTON
PRINTED BY J. W. JEFFERY, GOVERNMENT PRINTER
1913

originally published 1909.

CONTENTS.

- I.—THE COMMISSION.
- II.—REPORT OF COMMISSION.
- III.—RECOMMENDATIONS.
- IV.—SUGGESTIONS.
- V.—APPENDICES—
 - 1. Cost of Ontario Factory handling 200 hogs per day.
 - 2. Estimate of cost of an Alberta factory by Messrs. Hopkins & Wright, Edmonton.
 - 3. Estimate of cost of an Alberta factory by Messrs. W. R. Perrin & Co., Toronto.

Commissioners:

- R. A. WALLACE, of High River, Chairman.
- A. G. HARRISON, of Edmonton.
- JAMES BOWER, of Red Deer.

Secretary:

- E. TROWBRIDGE, of Edmonton.

THE COMMISSION.

[SEAL]

CANADA,
PROVINCE OF ALBERTA:

GEO. H. V. BULYEA,
Lieutenant-Governor.

EDWARD THE SEVENTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, King, Defender of the Faith, Emperor of India.

To all to whom these presents shall come, or whom the same may in any wise concern, GREETING:

WHEREAS in and by an Order of our Lieutenant-Governor in Council, bearing date the Third day of July, in the year of our Lord one thousand nine hundred and eight, provision has been made for an investigation by our Commissioners therein and hereinafter named with respect to certain matters relating to affecting the industry and conditions surrounding the marketing and handling of pork and pork products in the Province of Alberta and the advisability or otherwise of governmental establishment of, or assistance to, a pork packing plant or plants and a particular reference to the cost, capacity, mode of management and scope of operation thereof in the Province of Alberta as upon reference to the said Order in Council, a copy of which is hereto annexed, will more fully and at large appear.

NOW KNOW YE THAT by and with the advice of Our Lieutenant-Governor in Council, We do by these presents nominate, constitute and appoint Richard Alfred Wallace, Farmer, of the Town of High River; James Bower, Farmer, of Red Deer, and Arthur Gregory Harrison, Secretary of the City of Edmonton, in the Province of Alberta, to be Our Commissioners to conduct such inquiry.

To HAVE, hold, exercise and enjoy the said office, place and trust unto the said Richard Alfred Wallace, James Bower and Arthur Gregory Harrison, together with the rights, powers, privileges and emoluments unto the said office, place and trust, of right and by-law appertaining, during pleasure.

AND WE Do hereby under the authority of the Act respecting Inquiries concerning Public Matters, being Chapter 2 of The Statutes of Alberta, 1903, confer upon our said Commissioners the power of summoning before them any witnesses, and of requiring them to give evidence on oath, orally or in writing, or on solemn affirmation, if they are persons entitled to affirm in civil matters, and to produce such documents and things as Our said Commissioners shall deem requisite to the full investigation of the matters into which they are hereby appointed to examine.

AND WE Do hereby require and direct Our said Commissioners to report to Our Lieutenant-Governor in Council the result of their investigation, together with the evidence taken before them, and any opinion they may see fit to express thereon.

IN TESTIMONY WHEREOF WE have caused these Our Letters to be made patent and the Great Seal of Our Province to be hereunto affixed.

WITNESS: The Honorable George Hedley Vicars Bulyea, Lieutenant-Governor of Our said Province, at Our Government House, in Our City of Edmonton, this third day of July, in the year of Our Lord one thousand nine hundred and eight and in the eighth year of Our Reign.

By Command,

(Signed) HAROLD W. RILEY,

Deputy Provincial Secretary.

ORDER IN COUNCIL.

COPY OF AN ORDER IN COUNCIL APPROVED BY HIS
HONOR THE LIEUTENANT-GOVERNOR, THE THIRD
DAY OF JULY, A.D. 1908.

Upon the recommendation of the Honorable the Minister of Agriculture, dated July 2nd, 1908, the Executive Council advise that a Commission composed of Richard Alfred Wallace, farmer, of High River; James Bower, farmer, of Red Deer, and Arthur Gregory Harrison, Secretary, of Edmonton, be appointed under the provisions of An Act respecting Inquiries concerning Public Matters, being Chapter 2 of the Statutes of Alberta, 1908, with power and authority to summon witnesses before them and to require such witnesses to give evidence on oath orally or in writing or on solemn affirmation (if they are persons entitled to affirm in civil matters), and to produce such documents and things as the Commissioners may deem requisite to the full investigation of the matters into which they are appointed to inquire; To inquire into and report to the Lieutenant-Governor in Council upon the conditions surrounding the marketing and handling of pork and pork products in the Province, and advisability of or otherwise of Governmental establishment of or assistance to a pork packing plant or plants, plan of management and scope of operation thereof and generally to inquire into and report upon the best means under existing conditions and circumstances in the Province of insuring for the hog producer therein a fair price for his products.

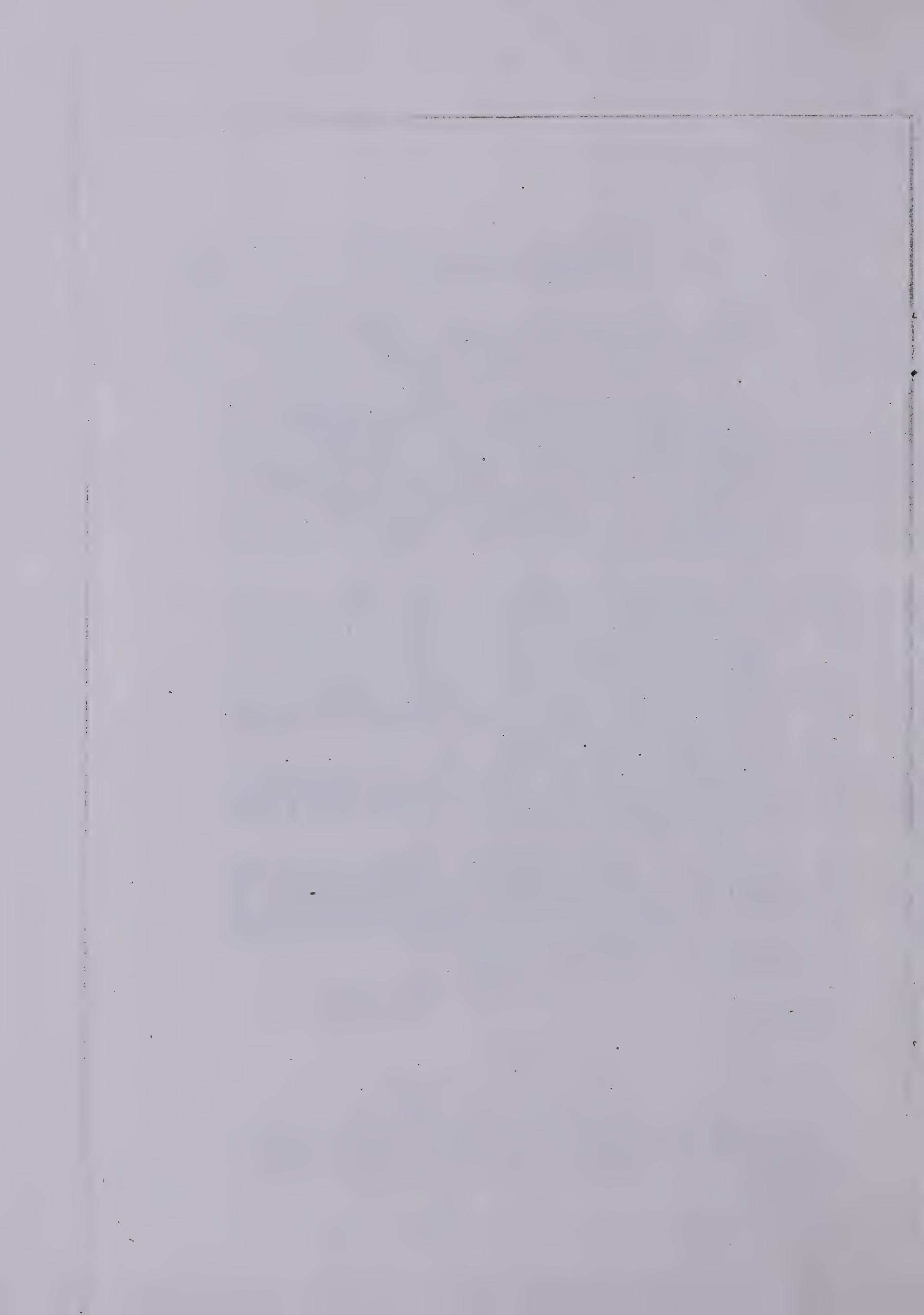
That the said Commission be empowered to acquire information on the aforesaid matters in any way that may seem to them advisable or expedient and that for this purpose they be empowered to personally examine and inspect such pork packing plants in the Province and elsewhere as they may consider necessary.

That the Commission be empowered to engage a Secretary, stenographer and such other assistants as they may find necessary, and that the said Commission be empowered to make rules and regulations governing the sittings thereof and the method of procedure to be adopted in the taking of evidence or otherwise in the acquiring of such information as may by them be thought advisable.

(Certified) M. J. MACLEOD,
Clerk Executive Council.

APPOINTMENT OF SECRETARY.

Pursuant to the provisions of Order in Council, dated July 3rd, A.D. 1908, E. Trowbridge, of Edmonton, was appointed Secretary of the Commission to inquire into the Pork Industry of the Province.



REPORT OF THE COMMISSIONERS.

TO HIS HONOUR THE LIEUTENANT-GOVERNOR IN COUNCIL:

The undersigned, having been appointed by Commission under the Great Seal of the Province, bearing date the 3rd day of July, 1908, a Board of Commissioners—

“To inquire into and report to the Lieutenant-Governor in Council upon the conditions surrounding the marketing and handling of pork and pork products in the Province, and advisability or otherwise of Governmental establishment of or assistance to a pork packing plant or plants, and a particular reference to the cost, capacity, plan of management and scope of operation thereof and generally to inquire into and report upon the best means under existing conditions and circumstances in the province of insuring for the hog producer therein a fair price for his products,” beg to report as follows:

After notice thereof through the press your Commissioners held meetings for the taking of evidence, all of which were open to representatives of the press, as well as to the general public, and everyone who expressed a desire to make any statement before us was given an opportunity to do so.

Your Commissioners held preliminary meetings in the City of Calgary, and the first Session for the taking of evidence was held in Edmonton from July 9th to July 14th inclusive. Prof. C. E. Day, of the Agricultural College of Guelph, Ontario, being the first to give evidence.

Representative farmers, business men, buyers and packers appeared and testified before us at Edmonton, Cardston, Lethbridge, Macleod, Nanton, Calgary, Didsbury, Innisfail, Red Deer, Lacombe, Stettler, Daysland, Wetaskiwin and Strathcona.

Your Commissioners in the month of September visited the plants at Calgary, Winnipeg, Toronto, Collingwood, Brantford, Hull, Buffalo, Chicago and Edmonton, where many courteous and instructive interviews were accorded your Commission, and figures were obtained from the best authorities as to the cost of a modern plant, which figures are submitted and attached to this report.

Dealing with the subject in more detail we beg to report as follows:

In examining the report made by the Beef Commission we found a very strong recommendation made that your Government should take some action regarding the hog industry of the Province; that it is in bad shape, that seventy-five per cent. of the cured article was imported into the country and that the local farmer was unable to find a market for what he could raise.

As to this your Commissioners would fully endorse the report of the Beef Commission in regard to the conditions surrounding the Pork Industry in the Province, the situation being practically unchanged since that time, taking the province as a whole; and we would also endorse their recommendation with certain modifications as further outlined in this report.

The evidence adduced before your Commissioners throughout the Province, and given by its most substantial farmers, who in many cases represented different farmers' organizations, and who spoke not only for themselves, but for their organizations under instructions to do so, goes to show that not only has the farmer not received what he considers a fair price (five cents per pound live weight) for his hogs, but that he has not in very many cases been able to receive any price at all; that he is able to overstock the market; that his energies have been curtailed on this account, and that he does not know where to turn for a market for what he can raise in the hog line even at any price, and still seventy-five per cent. of the cured meat is imported.

At the time your Commissioners visited the plant at Hull we found there a consignment of hogs from Saskatoon being slaughtered, while at the same time in the office there was an order for a carload of cured meats for Alberta points.

Alberta packers being in the fresh meat business, do not naturally cure hogs to such an extent as to make them scarce for the fresh meat trade. This is true of the smaller establishments throughout the province, and there has been no comment or objection made by them regarding the importation of cured meats from the United States. If the province had a few more establishments in a competitive way such as the Burns people, who have made what market there has been in the past, the farmer could at least sell his hogs at some price and not be compelled to go out of the business. These are the local conditions, or to put the matter more plainly, while seventy-five per cent. of the cured article is imported and no kick made by our local packers, at least one-half of our most energetic farmers have been compelled to go out of the hog industry on account of no market at all and not receiving a living price for his hogs during part of the year, to say nothing of what could be done by farmers who would become producers of hogs, and farm products suitable for feeding them. This is a serious and distinct loss to the Province as a whole and there should be some remedy.

In order to find out what had been tried at other places to overcome like conditions, your Commissioners visited Ontario, where at the time there were in existence so-called co-operative plants which were practically joint stock companies, built by farmers who formed joint stock companies for the purpose. These plants did not succeed for the reason that the farmer himself although a stockholder did not as a rule patronize his own plant if he could get a slightly higher price for his hogs at a rival plant, as being a holder of only a small amount of stock he could in many instances afford to sacrifice his stock for the difference he would receive in the price of one load of hogs from the rival concern; also for the reason that in the first instance where a plant should have cost \$100,000, it cost the farmer \$140,000. In other words, he was first of all victimized by the promoters of the plant, and then by himself, and the private owned concerns were enabled to step in, take away the business of the plant and then buy the plant at what it should have cost in the first place, or less, and operate it at a profit, putting the farmer where he was at the start, although throughout Ontario we found the prices for hogs good, but the supply limited, for two reasons: first, the farmer says he cannot get a price that pays him to keep hired help, and second, because feed has during the last eighteen months been high in price and scarce.

The evidence given to your Commissioners from those farmers who have come from the United States goes to show that the price of hogs in the different States has fluctuated, and some years it pays to raise hogs and some years not, but in all years there has been a market of some kind, and it is at this point that the Province of Alberta has fallen down the hardest. A splendid healthy country to raise hogs in; plenty of farmers desiring to raise them, but no market sufficient to make it worth while to go into the business, as a business, while seventy-five per cent. of the cured article is imported. Once make Alberta a province where it pays to raise crops for the purpose of feeding hogs and its prosperity and the continuous fertility of its soil is assured.

One thing in this connection which your Commissioners think is worthy of your Government's consideration, is that while in certain parts of the province the average farmer has no interest at present in hog raising, their attention being wholly taken up in wheat growing, yet the time may be far distant when results will prove that it would have been better had they been engaged in mixed farming. On this line the following is an extract from the evidence of W. H. Fairfield, Superintendent of the Experimental Farm at Lethbridge: "I don't believe that we farmers in this part of the country are very much interested in the hog question. At the present time there is nothing like straight grain farms, but it cannot continue indefinitely, and I think the farmers will find themselves up against it good and hard in the next ten or twelve years, but as long as we can raise winter wheat it will be hard to interest the farmers in anything else, but when the time comes that they find themselves up against it I fancy they will have to go into mixed farming."

Your Commissioners are of the opinion that the matter should be given most careful consideration. They have come to Alberta from the so-called hog States of the American Union because they wanted to better themselves. They have come from Eastern Canada for the same purpose, and to hold them Alberta must solve for them the difficulties they have run up against in their former homes, and one of these is the lack of a stable market for their farm products. There is no good reason why the condition of the *bona fide* farmer in Alberta should not be superior to those of other countries, especially since many came to better themselves and avoid conditions which they are again confronted with in this province.

The market for cured meats is right here in Alberta, and there will always be the English market, the British Columbia market and the market in the north country. The home market, as far as possible, might be left to the private concerns if they will occupy it. To do this the local concerns must cure their meats to suit the trade. If a Government controlled plant does nothing more than demonstrate, as the creameries have done, that the article to suit the trade can not only be raised but cured in Alberta, it will be worth the experiment and the financial risk in making such, besides giving an incentive to our farmers to go into the hog business and mixed farming as well as wheat raising, making Alberta a sure crop province, and a province in which financial institutions will have faith to do business.

Your Commissioners submit that the evidence shows there are various ideas as to what should be done. Some advocate the expenditure of \$1,000,000 and that the Government should not only attempt to control the local trade, but the foreign trade as well; that the farmer

should only have to raise the hog and be practically guaranteed his price for any quantity. Others think the Government have no business to touch the matter and that, like other countries, the matter will cure itself in time. The best thinking farmer, and the most substantial, feel that there is a course that might be taken to remedy matters, and that an ordinary sized plant might be erected for the purpose of killing and curing hogs only on a basis that will be satisfactory to the farmer and not involve the Government in too heavy an expenditure, and will in no way conflict with private enterprise, but would have a tendency to benefit the same, for the reason that the average farmer would go into hog raising, and increase the number and quality of the hogs raised.

The evidence and conditions existing clearly show that something must be done. The Ontario plants failed because they were not controlled by authorities in whom the farmer had confidence. The farmers in Denmark do not receive aid from the Government except as to the shipping and marketing facilities. They have a system of country banks from which they can borrow the capital needed. They guarantee each others' liabilities and they run their own plant, and they agree to supply such plant with their hogs under certain penalties.

In this country conditions are such that the farmers could not borrow the money required from the banks, as in Denmark, nor would they care to guarantee each others' liabilities in such a way as they do in Denmark. The Government here therefore must supply the money. The guarantee of each others' liabilities by the farmer is not available, and for the above reasons we have come to the following conclusions:

RECOMMENDATIONS.

1. That when a sufficient number of hog growers give a reasonable assurance that they will supply at least fifty thousand hogs per year to a plant and that they will elect from among themselves officers and directors whose duty it will be to look after the steady supply of hogs of suitable quality; to decide on the amount of money needed from time to time to successfully operate the plant; to look after the conduct and abilities of the operators, your Commissioners would then recommend that the Government furnish the money to build, equip and operate a plant, as they and the directors deem most advisable, so constructed as to admit of enlargement, and the original plant to have a capacity large enough to handle at least three hundred hogs a day at the start; that the management take in the farmers' hogs, pay them at time of delivery up to two-thirds of their estimated value, then at regular intervals as may be agreed upon when sufficient time has elapsed to place the product on the market, pay the producers the balance of the full value of their product, less the cost of curing and marketing the same and a sum sufficient to pay local working expenses, such as insurance, taxes, directors' remuneration, etc., also less one-quarter cent per pound live weight. This one-quarter cent per pound to be applied to the creation of a fund for the purpose of paying back to the Government their original investment and interest thereon. And at the same time to allot shares to each patron equal to the amount paid into this fund by the assessment of the one-quarter of a cent per pound on his product.

2. Your Commissioners would further recommend, when the Government indebtedness has been finally paid off by this fund, that this fund be then applied to paying a reasonable interest to the patrons on the amount of shares held by them and take the balance to be paid as a bonus on each pound of pork supplied, shares to become transferrable only to *bona fide* patrons, and then only by application to and with the consent of the directors. But in the event of the removal or death of any patrons and where application has not been made for such transfer by him or his heirs for the space of one year subsequent to such removal or death, then the directors may have power to cancel such shares and apply the proceeds to the general fund.

3. Your Commissioners would further recommend that in the event of it being found necessary to erect additional plants at other points in the province, those patrons who wish to withdraw from the first existing plant, may do so, with the approval of the directors, the shares held by them being transferred to the new plant with which they may affiliate, and the amount of money thus withdrawn from the first existing plant to be made by the remaining patrons as before.

As each patron would naturally wish the plant to be located near his special place of business so as to cheapen the freight rates paid by him, your Commissioners would recommend that the sum total of all freight rates paid on railways be subdivided and charged equally against each pound of pork supplied.

4. To minimize the cost of buying hogs, regular shipping days should be established when the patrons could bring their hogs to their respective railway stations where the regular buying agent could be in attendance, and whose duty it would be to grade the hogs, weigh them and credit each patron with the amount due him. In some cases this might mean the shipping of less than carload lots from one station to the next to be made up there, but it would obviate the difficulty of forcing the patron to keep his hogs after they had arrived at the proper size, hence a more uniform grade could be secured. In Denmark the patrons are paid by "deadweight," and quality of the hog after inspection which method of payment your Commissioners consider worthy of careful consideration.

5. Your Commissioners would further recommend that all patrons be required to enter into an agreement to give all the hogs which they wish to dispose of for curing purposes to the packing plant of the Association of which they are members. And any patrons who sell their hogs in contravention to their agreement shall be subject to a fine not exceeding two dollars for such hog sold, and that the directors of the association shall have power to cancel the shares of such patron up to the amount of such fine inflicted, and also the power to dispose of such cancelled shares to any other patron, or in any way they think fit, and to apply the proceeds to the general funds of the association. In the case of over-production, or if the plant should be unable from any cause to handle all the hogs offered, then the Board of Directors may give permission to any of the patrons to dispose of their hogs as they may think fit.

6. Your Commissioners would also recommend that the Stock Commissioner be instructed to canvass the different districts to ascertain the probable number of hogs that the farmers will guarantee to supply and to obtain the signatures of those farmers to this agreement.

SUGGESTIONS.

1. *Capacity.*—As to the proper size of a plant with a view to its economical working and best showing of profits to the amount of capital involved, there appears to be an uncertainty even amongst those engaged in the business, but in the opinion of experts like W. R. Perrin and Zachary Davis, of Chicago, the day of building very large plants is past; that the tendency at present is not to exceed \$200,000 in a fully equipped plant; that plants of this size and less are much more economical in their working, and that the only advantage in a very large plant lies in their ability to corner the market both in buying hogs and selling the product, which is really not a legitimate business.

2. *Class of Building.*—As to the proper class of building and equipment, while a wooden building can be built for much less money, yet on account of the inflammable nature of the product, in the way of lard and grease, those engaged in the business like to have their buildings as near fireproof as possible.

As a very great part of the cost of equipment is made up of appliances for chilling and cold storage, and as to a very great extent a well cured article depends on proper chilling, and a proper chilling depends partly on the system used and very much on the quality of the insulation used in the building, it is very evident that the best only should be used. This also determines to a very great extent the amount of profits made, because of the greater drain on the amount of refrigerating power supplied if the insulation is defective.

Your Commissioners heard expressions of opinion from some of the producers and from some others that a combined system whereby both beef and pork could be handled in one building would be more economical, but we find that this is not altogether borne out by facts, the larger institutions handling each in separate departments.

Then in the matter of cold storage, if a building is adapted to handling beef there is of necessity a great waste of chilling power if pork is handled in the same building.

Then again, while beef is usually placed on the market in the form of fresh meat, the great bulk of the pork product is placed on the market in the cured state.

A number of chilling systems are in use, but for pork packing the system of compressed ammonia seems to meet with general favor.

As to the kind of insulation used, while a great number use sheet cork in the building, yet a great many practical men think that insulation made up of boards and paper with plenty of dead air space is preferable.

Your Commissioners believe these are things that might be safe to leave to a designer, but we think that the practical experience of men engaged in the business should be taken into account.

3. *Cost of Operation.*—As to the cost of operation, your Commissioners submit that depends very much on the amount of raw material available, a steady full supply being handled for very much less per hog than could a small fitful supply.

One up-to-date Canadian plant, while running short time one month cost ninety cents per hog exclusive of office management. Another month with a somewhat larger supply the cost was forty-five

cents per hog, while the manager stated that on full time and supply it could be done at a cost of thirty cents per hog exclusive of office management.

One representative American firm stated the cost of operation ran from eighty cents to one dollar per hog including office management and marketing, while the average cost of operating thirty-three Danish plants was sixty-seven cents per hog ready for sale at the plant.

This cost would also be governed by local conditions and prices of labor, as except for heads of the different departments. Professional skilled labor is not absolutely necessary; one manager of a most successful plant stating that he preferred unskilled men to start with as they were not so set in their ways and were more willing to work under direction. In this case the cost of a general manager would not be so large as where both hogs, cattle and sheep were handled.

4. *Markets.*—As to a market, your Commissioners find there is a good and ever increasing demand for well cured stuff both locally and further west and north. This northern trade demanding a heavy fat article strongly cured.

In regard to the Oriental trade, your Commissioners have not been able to obtain any very definite information but we are led to believe that there will be a considerable demand there. And when by reason of increased production the market here becomes over-stocked the English market is still open where the Alberta cured article would be sold on equal terms with that cured further east, subject of course to the higher freight rates caused by distance; but with the advantage that a co-operative plant would have over a private concern with each patron having the incentive to furnish good stock, the quality could be guaranteed, and where a mild cure was required that would not stand a long distance shipment, this extra quality could be shipped in brine or dry salt and the curing finished there. This is a fancy trade that is now being catered to by the eastern packers to quite an extent, and for which they receive a much higher price, but on account of the difference in handling it is not considered that the relative profit is much greater, yet where a plant could guarantee the quality it would be a good trade. The preference there is now given to the product of the co-operative plants of Denmark because all the patrons are interested in the success of the plant and the quality and a constant supply is assured. The quality of the hogs now raised in Alberta is fairly well suited to the local market, but should be improved, while for the English trade a more uniform grade of the bacon type would have to be furnished.

5. *Shipping.*—As to shipping from Alberta points to the seaboard we found the railway officials somewhat guarded in the expression of their views, as they have no existing stationary rates for that class of stuff, but promise that in the event of a trade being established they will do their best to meet conditions and encourage the trade. And that for through rates the charge would be practically the same from all Alberta points.

6. *Comparative Prices.*—Your Commissioners find it very hard to make an exact comparison of the prices paid here and those paid elsewhere, partly on account of the trade demanding different cuts here to that used in an export trade, and partly on account of the difficulty in getting definite information from the packer as to the actual average prices paid, but taking the prices obtained by the thirty-three co-operative plants in Denmark as given to us by Mr. Sorenson and basing the

yield of bacon on the same percentage allowing half the value of the by-products including lard, also allowing \$11.00 per cwt. for bacon as against \$12.39 there, on account of our distance from the export market, the farmer should then receive at the packing plant here an average price of \$7.03 per cwt. live weight. Against this also ought to be charged a slight increase in the cost of operation, but figures submitted to us go to show that the original cost of the plant would be no greater in Alberta than in Denmark.

7. *Cost of Plant.*—In regard to the cost of a plant, your Commissioners find that a plant with a capacity of from 250 to 500 hogs per day can be safely estimated at \$100,000, this being the approximate estimate of Zachary Davis, Architect, of Chicago, who is a specialist in packing house building, and we believe a man of wide experience. His figures are based on Alberta prices for material and labor.

One plant in Ontario with a capacity of 3,500 hogs per week cost \$146,000.00, and regarding which Prof. Day in his evidence stated, "Is accounted one of the very best equipped factories of its size to-day." We were informel that this figure of \$146,000.00 is too high for reasons which need not be mentioned here.

Another Ontario plant, details of which we submit herewith, having a capacity of two hundred hogs per day, and constructed in 1899, cost as a going concern \$58,000.00. (Appendix I.)

A plant in Western Canada with a combined system for taking care of beef, mutton and pork cost \$115,000.00. This plant the manager stated, if it were fitted for pork alone, would be capable of taking care of seven hundred hogs daily.

The plant at Horsen, Denmark, according to Mr. Sorenson's statement, cost \$80,000.00 which he thought would be about equal in price to a plant of like capacity here. This Horsen plant has a capacity of 100,000 hogs per year.

We submit herewith for the information of your Government the carefully figured estimates of Messrs. Hopkins & Wright, Architects of Edmonton, for a building alone, with a capacity of five hundred hogs daily, which estimate is \$26,813.00. (Estimate Appendix II.) (Plan attached to original report.)

We also attach the estimate of Messrs. W. R. Perrin, of Chicago and Toronto, for the machinery and equipment of such building, their estimate being \$46,517.58, making the total cost in the Province of Alberta for a plant ready to commence operations \$73,330.58.

All of which is respectfully submitted.

(Signed) R. A. WALLACE,
Chairman.
JAMES BOWER.
A. G. HARRISON.

Dated at Edmonton this Seventh day of January, A.D. 1909.

APPENDICES.

APPENDIX I.

STATEMENT OF AN ONTARIO FACTORY HAVING A CAPACITY OF 200 HOGS PER DAY.

COST OF BUILDING.

The buildings of this Ontario factory, which were constructed in 1899, cost within a few hundred dollars of \$25,000. The said buildings are of solid brick on a stone foundation, and are roofed with shingles laid in mortar. It is not likely that similar buildings could be constructed here to-day for less than \$32,000. Labor and material were considerably cheaper in 1899 than they are now, *e.g.*, the brick used in the construction of the buildings cost only \$6.25 laid down on the factory site.

COST OF MACHINERY.

The machinery in this particular factory cost approximately the same as the building, \$25,000. In addition to the said two items of \$25,000 each there were the following other items of expenditure: electric plant \$800.00, office fixtures \$400.00, and factory fixtures (including meat machines, tanks, tables, knives, steels, etc.) \$6,500, making the total cost of the factory as a going concern about \$58,000.

The present owner of the factory here is of the opinion that he could to-day construct and equip a factory of similar capacity for a similar sum, namely, \$58,000. The consensus of opinion, however, appears to be that a factory of like capacity and equipment would to-day cost from \$70,000 to \$75,000.

CAPACITY FOR KILLING, CURING AND HANDLING PER DAY.

The factory here, constructed and equipped at the cost aforesaid, can kill, cure and handle generally 250 hogs per day. With an additional expenditure of about \$1,000 for another lard-rendering tank and another chill room its capacity could be increased to 300 hogs per day. As a matter of fact the factory here has never averaged more than 180 hogs per day the year through, this though was due to the scarcity of the supply and not to lack of capacity. It has handled as many as 2,000 hogs in a single week, but a few such weeks would choke it up. As a rule in the factories in this province there are only two killing days during the week, thus in the factory here they kill on Tuesdays and Fridays, killing as few as 200 and as many as 1,000 hogs on each of said days. It has been found from experience that the having of certain killing days during the week is better adapted not only for the securing of a full delivery of hogs at the factory, but also for manufacturing purposes.

SYSTEM AND COST OF COLD STORAGE.

The factory here, and apparently all the best factories in the province, use the direct ammonia system of cold storage, its advantages are that it is cheaper to operate and prevents ungainly brine pipes. The Indo-British is, I am informed, the best machine, and is made or can be obtained in Montreal. During the four or five winter months the cold storage system is not required.

The total cost of the cold storage system in the factory here was about \$8,500, which includes the cost of the engine to operate it, which said engine also runs the entire factory, while the cold storage system is in use. While the cold storage system is not in use (i.e., during the four or five winter months) another and less powerful engine is used to operate the factory plant, and thus a considerable saving in fuel is effected. Apart from the engine, the equipment of the cold storage system should not cost over \$2,000. While the system is in operation it must be charged with a certain proportion of the cost of running the engine room and boilers.

SUPPLY OF HOGS THROUGHOUT THE YEAR.

There is some lack of uniformity in the supply of hogs the year through, although the supply has never fallen so low as to cause the factory here to close down. Probably hogs are as scarce just now as they have been since this factory was built. The reasons for the present scarcity are the high price of feed and the low price of hogs last winter, which caused the farmers to get into a panic and rush nearly everything to the factory including many of their brood sows. As it does not take more than from seven to nine months for hogs to mature it is likely that the existing scarcity will soon right itself.

There is often a slight glut of hogs around Christmas in this Province, although apparently not so marked as in Alberta, as a consequence whereof the price of hogs is apt to drop somewhat at the beginning of the year. This lowering of the price gives the factories an opportunity for several months to manufacture a supply of meat at a low cost, which meat is usually sold in a rush and at advanced prices about April, when the butchers and other retailers of meat cannot keep large stocks of fresh meat on hand owing to the frost having gone. There is no reason why there should not be a uniform supply of hogs the year through, save the ingrained habits of farmers or hog-producers. Experiments conducted at the Guelph Agricultural College have shown that when hogs sell for \$5.00 per cwt. the farmer is getting \$24 per ton for his coarse grain which he has used to feed them; there is no other way in which he can make as much out of his coarse grain.

It is the large number of factories in this Province and the consequent keen demand for hogs that have prevented the factory here from obtaining more than 180 hogs per day the year through.

REMUNERATION PAID MANAGER.

Salaries in this Province run from \$1,200 to \$2,500, according to the capacity of the plant and of the manager. For a factory of 200 per day capacity a good manager should be obtained for at most \$1,800 per year. It is claimed though that the \$2,500 per year man usually

earns his salary. If the owner of a factory is a private individual and exercises general supervision over it himself, a manager under him would not as a rule get more than from \$1,200 to \$1,500 per year.

REMUNERATION PAID SUPERINTENDENT.

In the factories in the province the positions of superintendent and general foreman are usually combined, and the person holding the combined positions gets about \$20 per week. The person holding this position or the combined positions must be familiar with every branch of the work in the factory.

REMUNERATION PAID GENERAL FOREMAN.

If this position is not combined with that of superintendent the holder thereof gets about \$18 per week. He must be able to jump in and take charge of any department of the work in the factory should the foreman of that particular branch or department be absent.

REMUNERATION PAID FOREMAN OF DIFFERENT BRANCHES.

1. Killing and Cutting Foremen.....\$14 per week.
2. Cellar Foremen\$15 to \$18 per week.
3. Lard Foreman\$18 per week.

The lard foreman has under him the fertilizer man, who gets about \$12 per week for looking after the manufacture and other by-products.

4. Sausage foreman\$15 to \$18 per week.
5. Shipping foreman\$10 to \$12 per week.

If one factory gets a specially good foreman in any particular branch, other factories often try to steal such men away; so that in special cases any of the foregoing foremen, except the shipping foreman, may be found getting \$1 or \$2 per week more than the figures quoted above. Good lard foremen appear to be especially scarce.

NUMBER AND WAGES OF SKILLED MEN.

In addition to the foremen, about ten skilled men are required in a factory of 200 hogs per day capacity, who are all in the gang of the killing and cutting foreman. These skilled men receive \$12 per week and are paid for over time. As a rule they are kept on throughout the whole year.

NUMBER AND WAGES OF UNSKILLED MEN.

About 30 unskilled men are required in a factory having a daily capacity of 200 hogs. In the 30 unskilled men are included about eight boys. Two of these unskilled men in the cellar get \$10 per week, the remaining unskilled men get from \$7 to \$9 per week, the boys get from \$4 to \$7 per week. The unskilled men or at least some of them are laid off during slack periods.

OTHER HELP REQUIRED—WITH THEIR WAGES.

1. Engineer: Must have knowledge of electric plant, refrigerating system and the cooking of lard, must be able to do his own fitting repairs; gets \$75 per month.
2. Day Fireman: Gets about \$40.00 per month.
3. Night Engineer: Takes care of engine and boiler and cooks lard at night; gets \$50 per month.
4. Office Staff: Accountant\$60 per month.
Two Clerks\$40 each per month.
Stenographers\$25 per month.

NUMBER OF BUYERS.

One at every railway station from which the factory draws a supply of hogs; each buyer has a number of drovers supplying him with hogs on certain shipping days (usually two) each week. The buyers are paid by commission which is usually at the rate of 15c. per cwt.

NUMBER OF SALESMEN.

Three travelling salesmen; also agents in various cities and large towns who are paid a commission of three per cent., the factory also paying freight if there should be a factory in the place where the agent does business.

MARKETS.

1. Local: Catered to by the travellers and the commission agents. Thirty days' credit has regularly to be given on sales made in this market.

2. Foreign: Great Britain and Ireland: Shipments are regularly made to commission houses in Liverpool and Dublin (Wiltshires are sent to England; long ribs and Cumberlands to Ireland) commission of 2½ per cent. paid. Sight drafts are made out for full price of goods so soon as car is loaded here. Only cured meats are exported. Cars have to be re-iced every 60 hours, so that an Edmonton plant would have to see that the railways had icing stations not more than sixty hours apart.

DIFFICULTY IN OBTAINING SUPPLY OF HOGS.

This topic has already been taken up under another heading. There is some difficulty in this Province in obtaining a supply of hogs, which is largely due to the number of factories and the keen competition. Under ordinary conditions a fair supply of hogs is always forthcoming when prices are good. Abnormal conditions already mentioned on page 2 account for the present scarcity in this province.

PRICES PAID FOR HOGS.	1907	1908
Highest	\$8.00	\$7.50
Lowest	5.25	4.75
Average	7.00	6.50

The foregoing prices are f.o.b. at shipping points, and to them should be added about 10c. per cwt. for freight and about 50c. per cwt. for shrinkage (hogs will lose on an average about 8 lbs. in transit) making the average price for 1907 about \$76.0 and for 1908 about \$77.10 per cwt.

GRADING.

Hogs are not paid for according to grade here. Grading is prevented here by the competition among the factories and the consequent scarcity of hogs. In Alberta where conditions appear to be different grading might be possible. It is certainly most desirable. Skinny or light hogs are, however, paid for at from 50c. to \$1 per cwt. under top price. Finished sows bring about \$2 per cwt. under top prices. Poor sows bring \$3 per cwt. under top price. Boars are not accepted at all. 150 lbs. to 240 lbs. are the weight limits at shipping points, and 140 lbs. to 230 lbs. are the weight limits at the factory. Hogs over or under those limits are not wanted.

SUPPLY OF HOGS—WHERE OBTAINED.

On an average they are obtained within a radius of 50 miles from the factory. Hogs have been brought to the factory here from a point 120 miles distant. There is no objection to their being brought from a great distance provided they are not on the cars over say 24 hours. From the standpoint of the factory, provided the hog's health is not injured and the weight paid for was that at the factory, there is no objection to their being on the cars longer than 24 hours.

WORKING CAPITAL.

For a factory of 200 hogs per day capacity, catering to both local and export trade, it is estimated that a working capital of about \$64,000 is required. This amount is arrived at in the following manner:

A hog on an average will cost the factory at least \$10. 1,200 hogs are bought and killed each week, which ties up at least \$12,000 weekly. Taking into account the time it takes to manufacture the products, from seven to twenty-one days, and the thirty days' period of credit that has to be given to the local trade, also the deferred payment of a number of accounts and other hampering circumstances, it is estimated that a factory has to wait five weeks before it gets returns in cash for its output, thus it has five weeks' killing always tied up, which amounts to about \$60,000; to this must be added about \$4,000 for wages and general running expenses during the said five weeks' period.

APPENDIX II.

ESTIMATE OF MESSRS. HOPKINS & WRIGHT, ARCHITECTS OF EDMONTON.

EDMONTON, January 6, 1909.

THE ALBERTA PORK COMMISSION,
EDMONTON:

We have gone carefully into the matter re erecting buildings similar to those in Brantford, Ont., for hog killing and curing purposes, with cold storage in connection, and we estimate that to erect similar buildings in this province with a capacity of 500 hogs per day, would cost \$26,813.00. This price includes hog pens, hog runways, ice house and box shed, etc., etc.

We might here mention that our Mr. Hopkins built the large abattoirs of Montreal for the killing and storage of beef, sheep and hogs with a rendering plant in connection for the manufacture of fertilizers.

Yours truly,
(Signed) HOPKINS & WRIGHT,
Assoc. Architects.

APPENDIX III.

ESTIMATE OF WILLIAM R. PERRIN & COMPANY, LIMITED, ENGINEER AND
MACHINISTS, TORONTO, CANADA.

CONTRACT FORM.

Subject to the following conditions and limitations:

This shall not become a contract binding upon this Company, until accepted in writing by an officer of the Company; and no change of contract shall be valid until in like manner accepted.

This Company undertakes only that which is herein specified. Statements made, whether verbal or written, if not embodied herein are not binding on this Company.

Orders accepted cannot be countermanded except with the written consent of the Company and upon terms that will indemnify it against all loss.

Quotations made are for immediate acceptance without notice. All acceptances of orders by this Company are subject to delays by accidents, strikes and causes beyond its control.

The acceptance of goods when delivered is understood to constitute a waiver of all claims for damages by reason of any delay.

BOILER AND ENGINE ROOM.

One.....L. L. B. 6-25 K.W. 1200 R.P.M. 125 V Compound-wound D.C. generator, complete with standard pulley 12" dia. x 8" face, iron sliding base and generator field rheostat.

This generator will furnish you with about 420 16 C.P. 60 Watt lamps and will stand an overload of 25% for two hours without injury. From this you will see that it would be quite safe to wire for at least 500 lights; and further,

it is not at all likely that you will have all the lights burning at the same time.

Wiring and 500 lights for your building.

Three.....60" x 14" Horizontal Tubular Boilers.
 One.....13" x 12" Automatic McEwen Engine.
 One.....Horizontal smoke breeching for three boilers.
 One.....Duplex Steam Pump.
 One.....250 H.P. National Heater.
 Price.....Seven thousand four hundred and seventeen
 dollars and fifty-eight cents \$ 7,417.58

SLAUGHTER HOUSE DEPARTMENT.

One.....Horizontal Hog Scraping Machine.
 One.....Double wheel hog hoist.
 Sixty feet.11¼" Hog Bleeding Rail with Hangers 2 feet apart.
 Sixty.....Hog Shackles for Hog Hoist.
 One.....Continuous Hog Throw-out.
 One.....Head Washer, complete with Counter Shaft.
 One.....Perforated Flat Washer, complete with Counter Shaft.
 Two.....Entrail Cutters.
 4,500 feet.Tracking, complete with Hangers and Switches.
 Pipe and Fittings for your building.
 3000.....Hog Trolleys.
 3000.....Gambrel Sticks.
 One.....5 x 14 x 3 Boiler Iron Scalding Tub.

TANK ROOM DEPARTMENT.

One.....No. 3 Tankage Dryer 16 feet long complete with condenser.
 One.....No. 14 Hydraulic Tankage Press, complete with combination
 platform, cars, double pumps, racks and cloths.
 Three.....Rendering Tanks, 4 feet diameter, 12 feet long, complete
 with gate valve and draw-off cocks.
 Three.....4 x 4 x 3' 6" Boiler Iron Slush Vats.

LARD REFINING DEPARTMENT.

One.....27" 30 Plate, Filter Press, complete with cocks for refining
 lard.
 One.....51¼" x 31½" x 2" Duplex Steam Pump.
 One.....8 x 12 x 10 Blowing Engine.
 One.....30 Tierce Clay Kettle with jacketed cone bottom.
 One.....30 Tierce Receiving Kettle with jacketed flat bottom.
 One.....30 Tierce Triple Agitator.

SAUSAGE DEPARTMENT.

One.....No. 62 Enterprise Meat Chopper.
 One.....No. 32 Silent Meat Cutter.
 One.....100 Pound Steam Sausage Stuffer.

ELEVATORS FOR BUILDING.

One.....6 x 6 Worm Elevator.

One.....5 x 6 Friction Elevator.

All necessary shafting and belting.

All the above machinery complete, erected in your
building, ready for operation \$ 20,730.00

REFRIGERATION PLANT.

Refrigeration plant to take care of 3,000 hogs per week, that is
killing three times per week, 1,000 hogs each kill. To be composed of
the following parts:

One.....Steam Engine driving direct.

One.....50 ton Ammonia Compressor.

One.....50 ton Ammonia Condenser.

One.....Liquid Receiver.

One.....Air Cooler for the Chilling of the hogs.

All necessary expansion pipes for the cooling of the curing and
other rooms.

All ammonia connections between the different parts.

First charge of Ammonia and Calcium.

Delivered in Alberta and erected complete for the sum of Eighteen
thousand, three hundred and seventy dollars (\$18,370.00).

TOTAL.

Operating Machinery	\$ 20,730.00
Engine and boiler rooms	7,417.58
Refrigeration plant	18,370.00
	<hr/>
	\$ 46,517.58

CA2ALZ 1 - 09P01



LEGISLATURE LIBRARY

EDMONTON

